STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING AMENDED F						FO	RM 3					
		AP	PLICATION F	OR PERM	IIT TO DRILL			1. WELL NAME and N	IUMBER GARNET 1410-10D			
2. TYPE OI	F WORK	DRILL NEW WELL	DEENTE	R P&A WELL	DEEPEN WEL		3. FIELD OR WILDCAT WILDCAT					
4. TYPE OF	F WELL					-0		5. UNIT or COMMUNITIZATION AGREEMENT NAME				
6. NAME O	F OPERATOR	Oi	I Well C	oalbed Metr	nane Well: NO			7. OPERATOR PHON				
			KERR-MCGEE O	IL & GAS ON	ISHORE, L.P.			O OPERATOR E MA	720 929-6515			
	SS OF OPERATO		P.O. Box 1737						jacobson@anadarko	com		
	AL LEASE NUMI , INDIAN, OR ST				DERAL WNERSHIP	STATE () FEE	12. SURFACE OWNER	RSHIP IDIAN STATE	O F	EE 📵	
13. NAME	OF SURFACE (OWNER (if box 12 =		of Eastern l	Jtah			14. SURFACE OWNE	R PHONE (if box 12 435-613-5220	= 'fee')		
15. ADDRE	ESS OF SURFA	CE OWNER (if box		N, Price, UT	84501			16. SURFACE OWNE	R E-MAIL (if box 12	= 'fee')		
	I ALLOTTEE OF = 'INDIAN')	R TRIBE NAME		18. IN MULT	TEND TO COMMING	LE PRODUCTION	-	19. SLANT	IRECTIONAL ()	IORIZONT	FAL (**)	
20 1 004	TION OF WELL			FOOTAG	<u> </u>	QTR-QTR	SECTION	TOWNSHIP	RANGE		ERIDIAN	
	N AT SURFACE		166	60 FNL 168		SENW SENW	10	14.0 S	10.0 E	IVIE	S	
	ppermost Prod			1660 FNL 1685 FWL			10	14.0 S	10.0 E	+	S	
At Total	Depth		166	1660 FNL 1685 FWL 1660 FNL 1685 FWL			10	14.0 S	10.0 E	+	S	
21. COUNTY UINTAH				22. DISTANCE TO NEAREST LEASE LINE (Feet)				23. NUMBER OF ACRES IN DRILLING UNIT				
25. DISTANCE TO NEARES (Applied For Drilling or Co					T WELL IN SAME	26. PROPOSED DEPTH MD: 8025 TVD: 8025						
27. ELEVATION - GROUND LEVEL				28. BOND NUMBER 22013542			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Municipal					
			7		Hole Casing, an	d Cement Info	rmation					
String	Hole Size	Casing Size	Length	Weight	Grade & Threa			Cement	Sacks	Yield	Weight	
SURF	17.5	13.375	0300	48.0	H-40 ST&C	8.4		Type V	250	1.15	15.8	
I1	12.25	9.635	2600	36.0	J-55 LT&C	8.4	Dr	Class G emium Lite High Stre	0 ength 390	3.38	15.8 12.5	
	12.20	9.625	2000	30.0	3-33 E140	0.4		50/50 Poz	280	1.31	14.3	
PROD	8.75	7	0 - 8025	29.0	HCP-110 LT&	12.) Pr	emium Lite High Stre		3.38	12.5	
								50/50 Poz	520	1.31	14.3	
					ATTA	CHMENTS						
	VER	IFY THE FOLLOW	WING ARE AT	TTACHED	IN ACCORDANCE	WITH THE UTA	H OIL AND GA	AS CONSERVATION (GENERAL RULES			
W E	ELL PLAT OR MA	AP PREPARED BY L	ICENSED SUR	/EYOR OR E	NGINEER	СОМІ	PLETE DRILLING	PLAN				
AFI	FIDAVIT OF STA	TUS OF SURFACE	OWNER AGREE	MENT (IF FI	EE SURFACE)	FORM	5. IF OPERATOR	R IS OTHER THAN THE L	EASE OWNER			
DIR	ECTIONAL SUF	RVEY PLAN (IF DIRI	ECTIONALLY O	R HORIZON	ITALLY DRILLED)	№ торо	GRAPHICAL MAI	P				
NAME Ca	ra Mahler		TITLE Regu	TITLE Regulatory Analyst I PHONE 720 9								
SIGNATU	RE		DATE 10/0	3/2013		EMAIL cara.mahler@anadarko.com						
API NUME	BER ASSIGNED	43047540340000			APPROVAL							

Kerr-McGee Oil & Gas Onshore. L.P.

GARNET 1410-10D

Surface: 1660 FNL / 1685 FWL **SENW** BHL: 1660 FNL / 1685 FWL SENW

Section 10 T14S R10E

Carbon County, Utah Mineral Lease: ST UT ML 45805

DRILLING PROGRAM

1. & 2.

DRI	LLING PROGRAM		
Estimated Tops of Importe	ant Goologic Markors:		
	<u>cipated Water, Oil, Gas, or I</u>	Mineral Formations:	
ESIMILATE A DEPINS OF ATTIC	siparea Waler, Oli, Ods, Or i	VIII CIGIT OI III CIGIC	
Formation	<u>Depth</u>	<u>Resource</u>	OU
Mancos	0 - Surface		
Ferron Sandstone	1,623'	Gas	
Tununk	1,843'	10	
Dakota	2,273'	Gos	
Morrison	3,873'	Gas	
Curtis	3,943'		
Entrada	4.123	GAS	
Navajo	5,5-3	WATER	
Kayenta 🔨 🗼	5,903'	GAS	
Wingate	5,973'	GAS	
Chinle	6,323'		
Moenkopi	6,793'	OIL	
Sinbad	7,423'		
Kaibab	8,023'		
T/D	8,025'		
ЛD	8,025'		

Pressure Control Equipment (Schematic Attached)

Please refer to the attached Drilling Program

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Drilling Program

5. **Drilling Fluids Program:**

Please refer to the attached Drilling Program

6. **Evaluation Program:**

Please refer to the attached Drilling Program

7. **Abnormal Conditions:**

8025' TVD, approximately equals Maximum anticipated bottom hole pressure calculated at (0.61 psi/ft = actual bottomhole gradient)

Maximum Anticipated Bottom Hole Pressure (MABHP) = Pore Pressure at TD

Drilling Program 2 of 4

Maximum anticipated surface pressure equals approximately minus the pressure of a partially evacuated hole calculated at 0

3,151 psi (bottom hole pressure

minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot, per Onshore Order No. 2).

Per Onshore Order No. 2 - Max Anticipated Surf. Press.(MASP) = (Pore Pressure at next csg point-(0.22 psi/ft-partial evac gradient x TVD of next csg point))

8. <u>Anticipated Starting Dates:</u>

Drilling is planned to commence immediately upon approval of this application.

9. <u>Variances:</u>

None

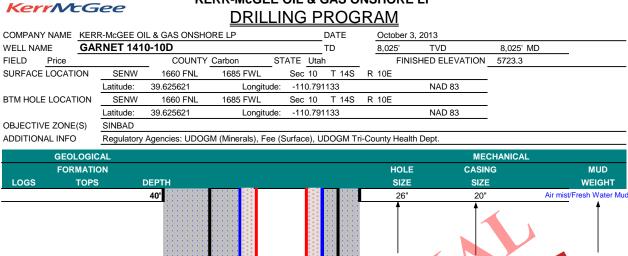
10. Other Information:

Returned

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP







KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

CASING PROGRAM

									DESIGN	FACTORS	
										LTC	DQX
	SIZE	IN	TERVAL		WT.	GR.	CPLG.	BURST	COLLAPSE	TEI	NSION
CONDUCTOR	20"		0-40'								
SURFACE	13-3/8"	0	to	300	48.00	H-40	LTC	1730	740	322000	
INTERMEDIATE	9-5/8"	0	to	2,600	36.00	IJ-55	LTC	3520	2020	453000	
PRODUCTION	7"	0	to	8,025	29.00	HCP-110	DQX	9960	7800		693000

Surface Casing:

(Burst Assumptions: TD =

12.0

0.73 psi/ft = frac gradient @ surface shoe

Fracture at surface shoe with 0.1 psi/ft gas gradient above

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

Production casing:

(Burst Assumptions: Pressure test with 8.4ppg @

9000 psi)

0.61 psi/ft = bottomhole gradient

(Collapse Assumption: Fully Evacuated Casing, Max MW)

(Tension Assumptions: Air Weight of Casing*Buoy.Fact. of water)

CEMENT PROGRAM

	FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WŁ.GHT	YIELD
SURFACE TAIL	300'	Premium cmt + 2% CaCl	250	35%	3.80	1.15
		+ 0.25 pps flocele	~ (
TOP OUT CMT	as required	Premium cmt + 2% CaCl	√ 6 (67.		15.80	1.15
INTERMEDITATE LEAD	2,100'	Premium Lite II +0.25 pps	390	35%	12.50	3.38
		celloflake + 5 pps gilsonite + 10% gel				
		+ 0.5% extender				
TAIL	500'	50/50 Poz/G + 10% salt + 2% gel	280	35%	14.30	1.31
		0.1% R-3				
PRODUCTION LEAD	4,725'	Premium Lite II +0.25 pps	260	35%	12.50	3.38
		celloflake + 5 pps gilsonite + 10% gel				
		+ 0.5% extender				
TAIL	3,300'	50/50 ₱oz/G + 10% salt + 2% gel	520	35%	14.30	1.31
		+ 0.1% R-3				

hole volume plus 0% excess for LEAD if accurate caliper is obtained nole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUI

SURFAC 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe INTERMEDIATE Float shoe, 1 jt, float collar. A centralizer on the first 3 joints off bottom and every joint thereafter up to the 2nd joint within the surface shoe. **PRODUCTION** Float shoe, 1 jt, float collar. A centralizer on the first 3 joints off bottom and every joint thereafter up to the 2nd joint within the surface shoe.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

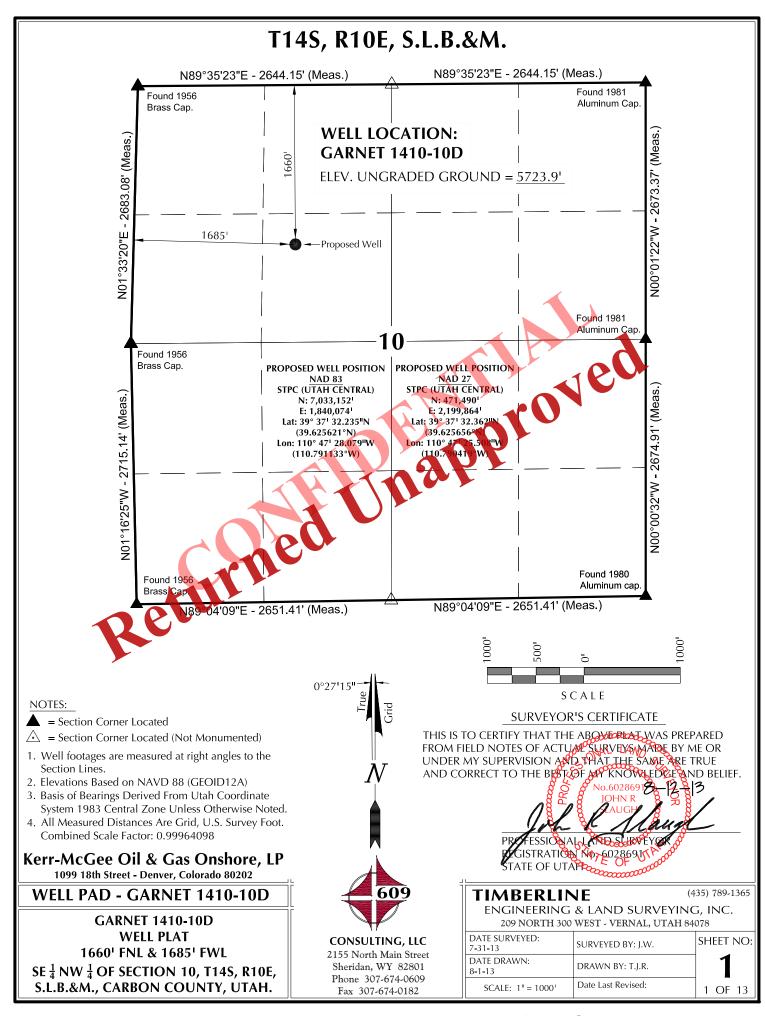
BOPE: 11" 5M with one annular and 2 rams. The BOPE will be installed before the production hole is drilled and tested to 5,000 psi (annular to 2,500 psi) prior to drilling out the surface casing shoe. Record on chart recorder and tour sheet. Function test rams on each trip. Maintain safety valve and inside BOP on rig floor at all times. Most rigs have top drives; however, if used, the Kelly is to be equipped with upper and lower kelly valves.

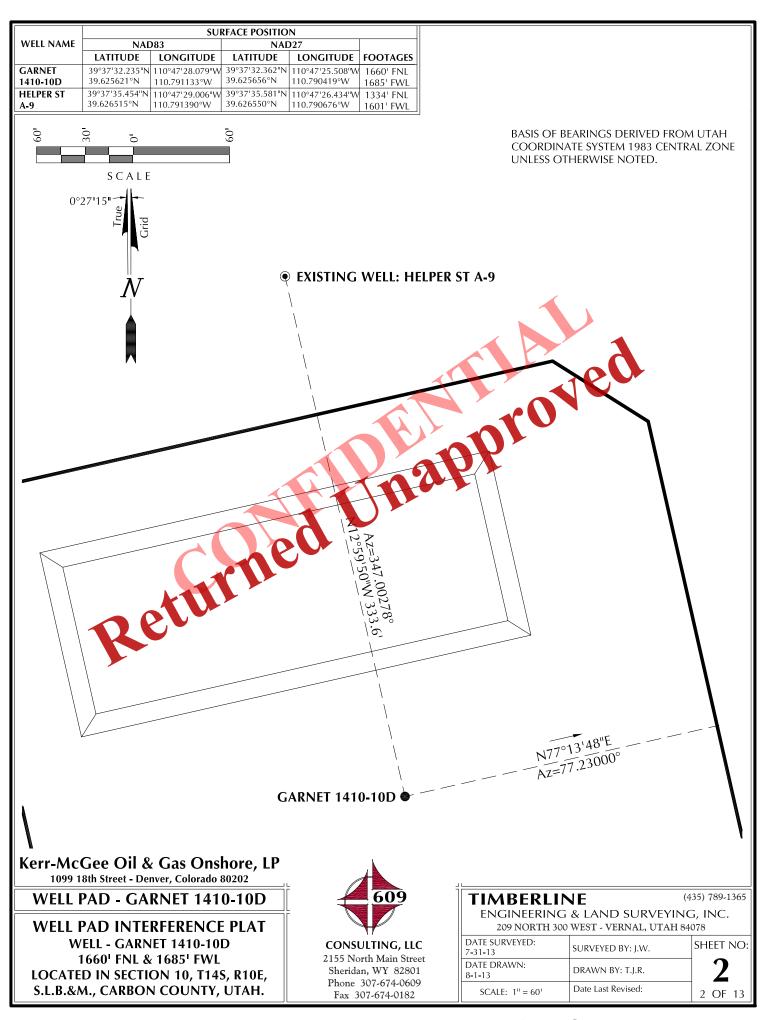
Surveys will b	e taken	at 1,000'	minimum	intervals

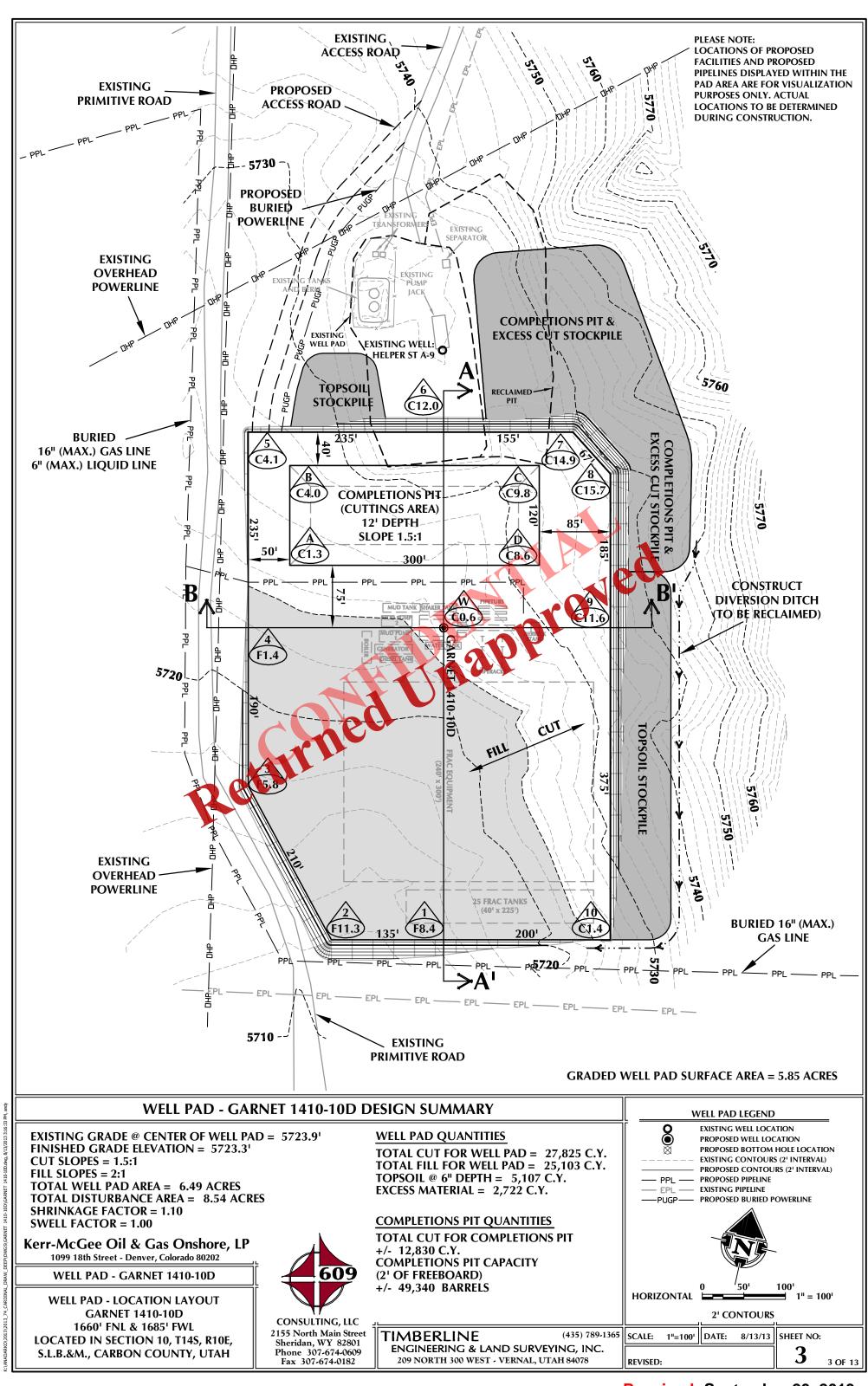
Most rigs have PVT System for mud monitoring. If no PVT is available, visual monitoring will be utilized.

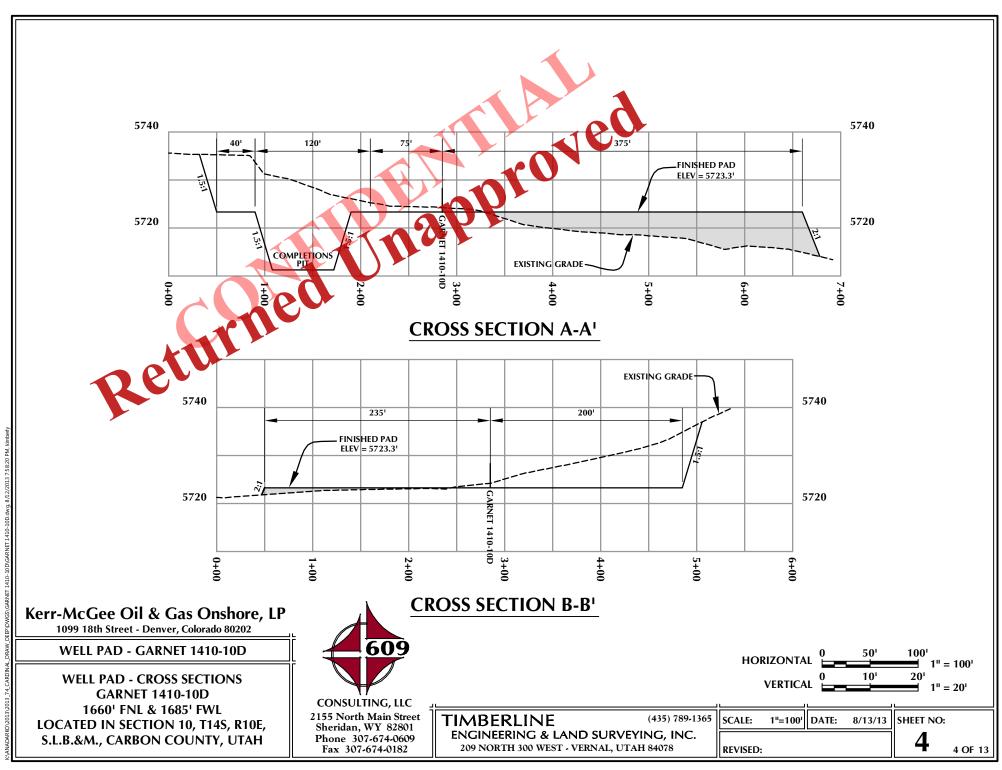
If extreme mud losses are observed OR cement doesn't reach surface on a well on the pad, a DV Tool may be used. With Cement Baskets above and Below it.

		,	•
DRILLING ENGINEER:		DATE:	
	Nick Spence / John Tuckwiller / Danny Showers	·	
DRILLING SUPERINTE	NDENT:	DATE:	
	Lovel Young		

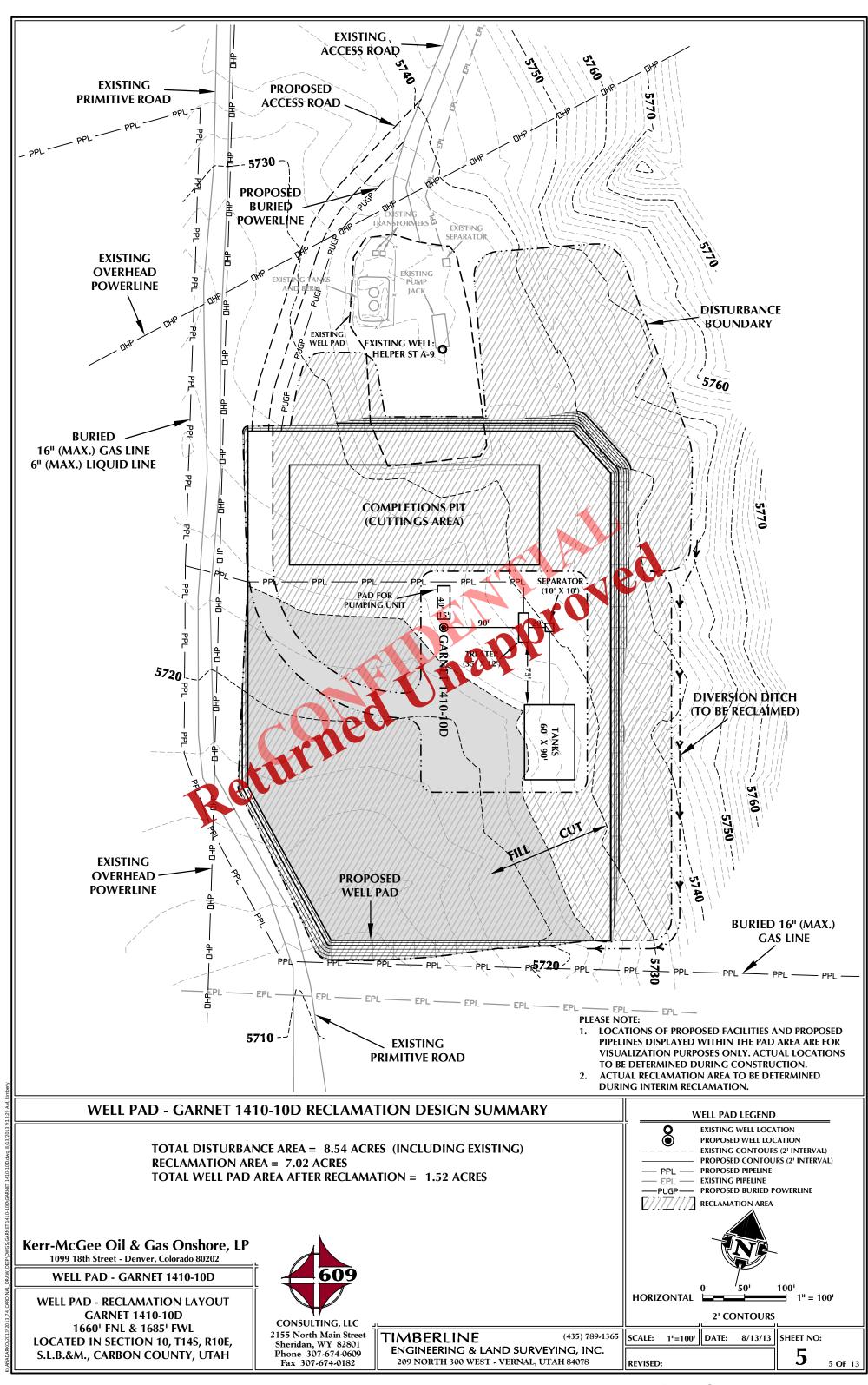


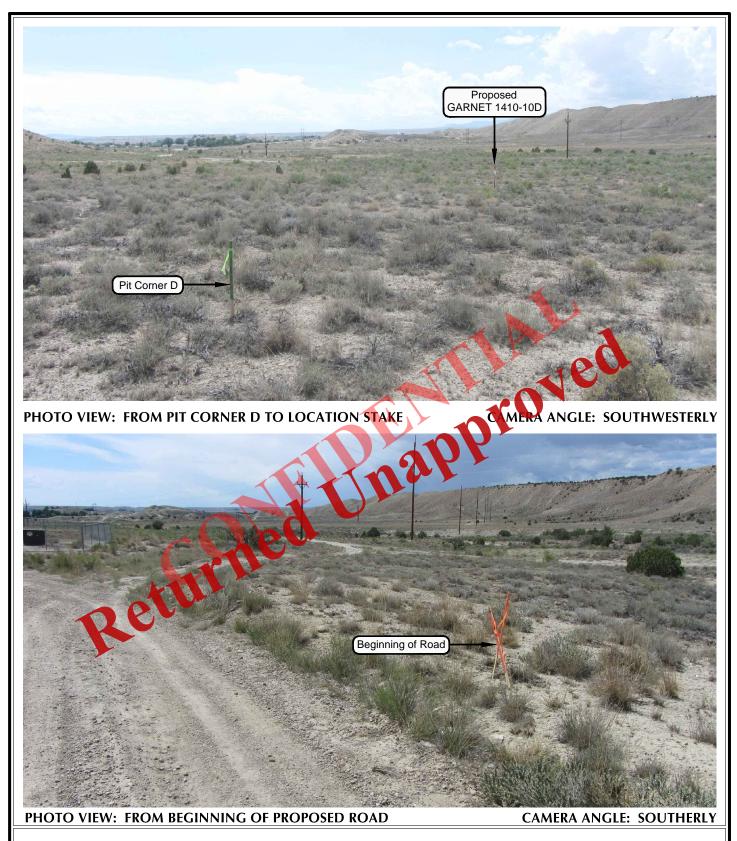






Received: September 20, 2013





Kerr-McGee Oil & Gas Onshore, LP

1099 18th Street - Denver, Colorado 80202

WELL PAD - GARNET 1410-10D

LOCATION PHOTOS GARNET 1410-10D 1660' FNL & 1685' FWL LOCATED IN SECTION 10, T14S, R10E, S.L.B.&M., CARBON COUNTY, UTAH.



CONSULTING, LLC 2155 North Main Street

Sheridan, WY 82801 Phone 307-674-0609 Fax 307-674-0182

TIMBERLINE
engineering & L

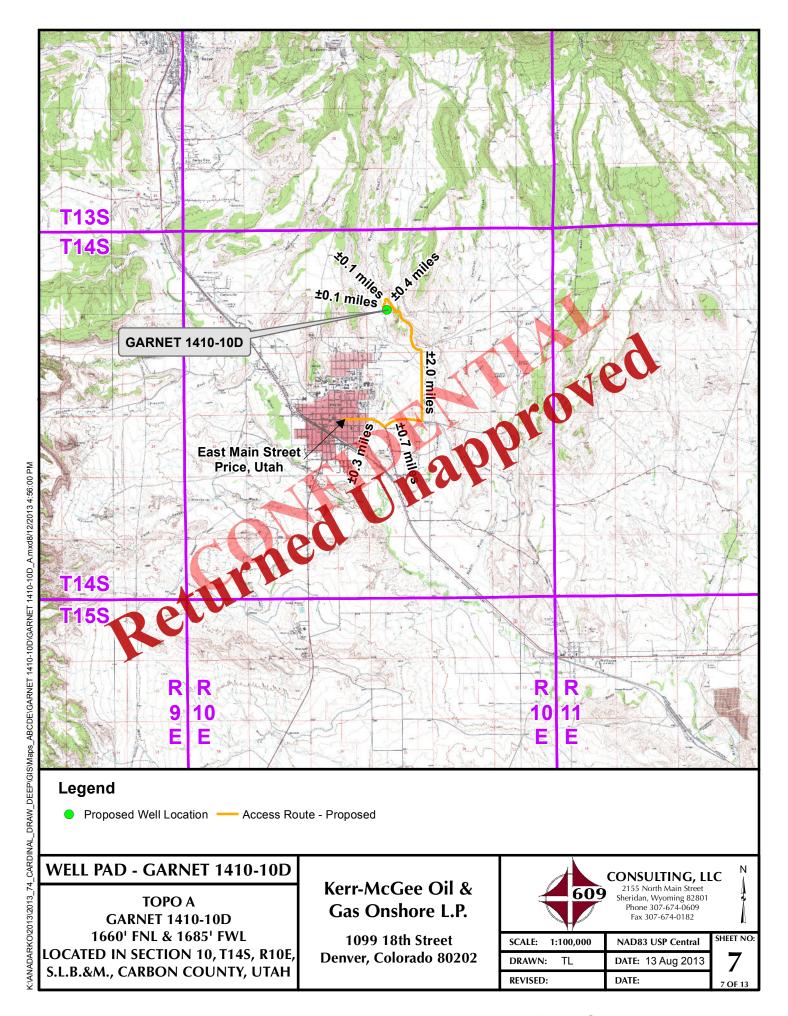
(435) 789-1365

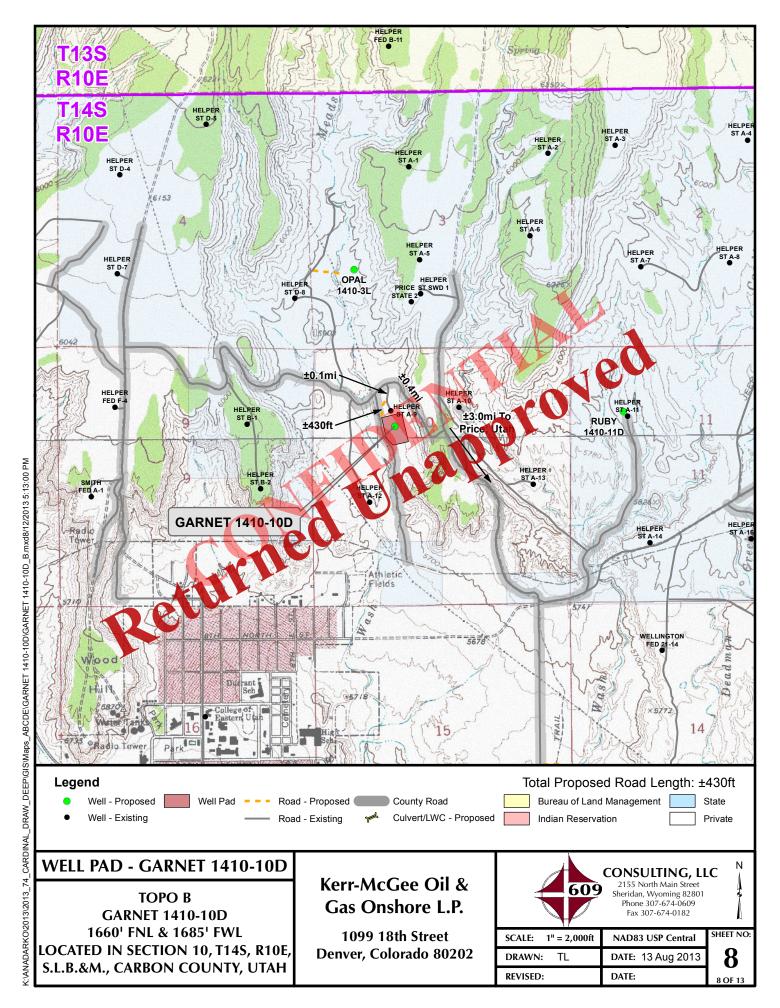
AND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078

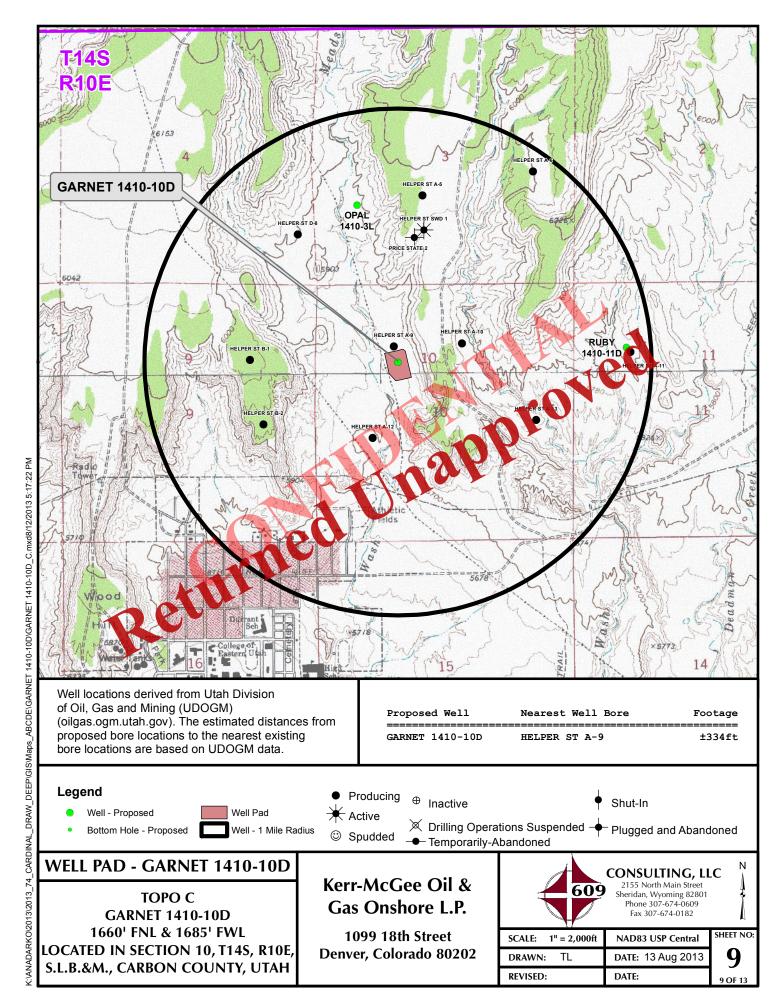
DATE PHOTOS TAKEN: SHEET NO: PHOTOS TAKEN BY: J.W. 7-31-13 DATE DRAWN: DRAWN BY: T.J.R. 8-1-13 Date Last Revised: 6 OF 13

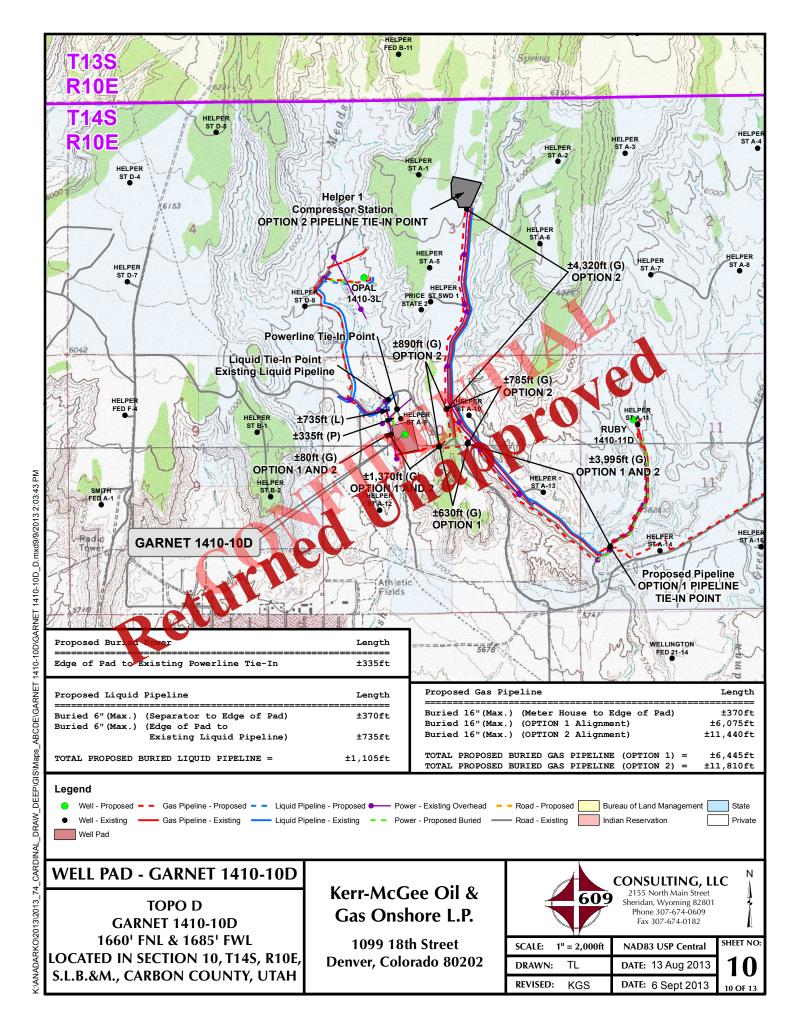
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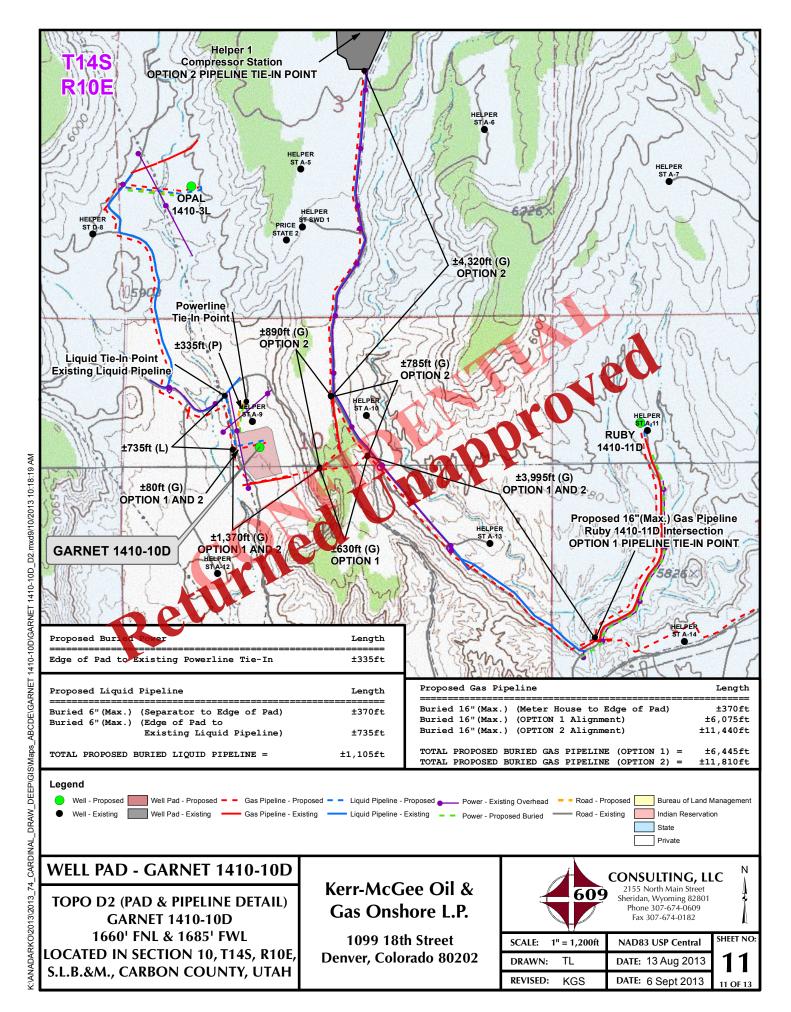
Received: September 20, 2013

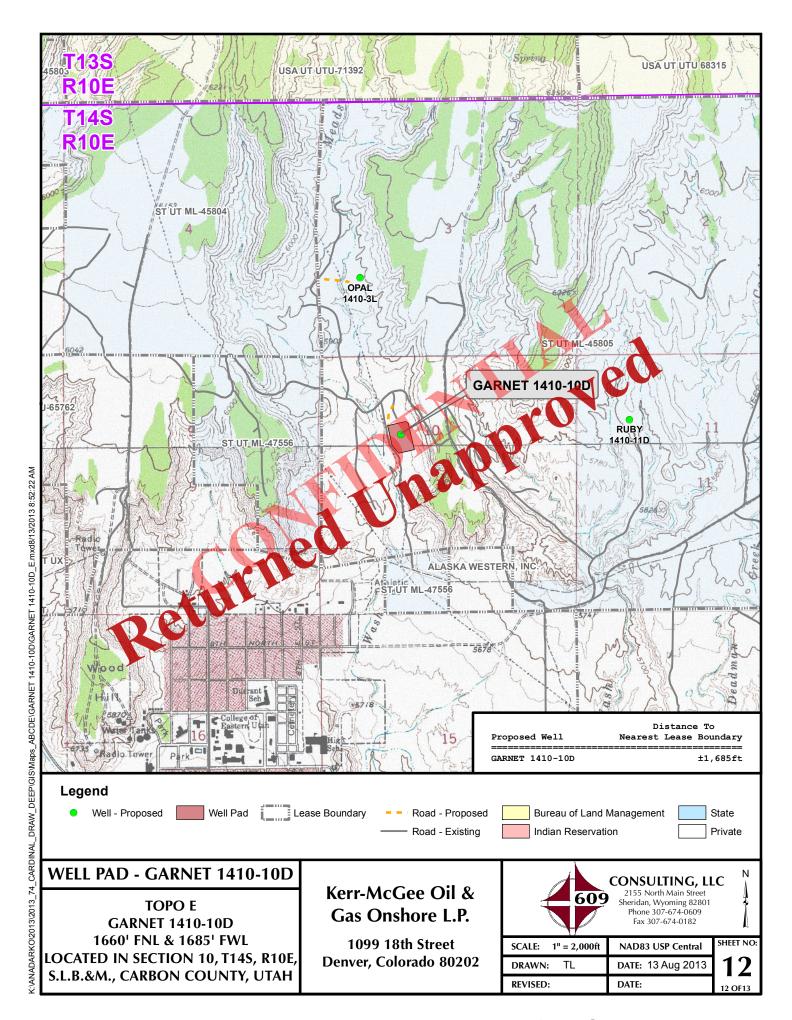












KERR-MCGEE OIL & GAS ONSHORE L.P.

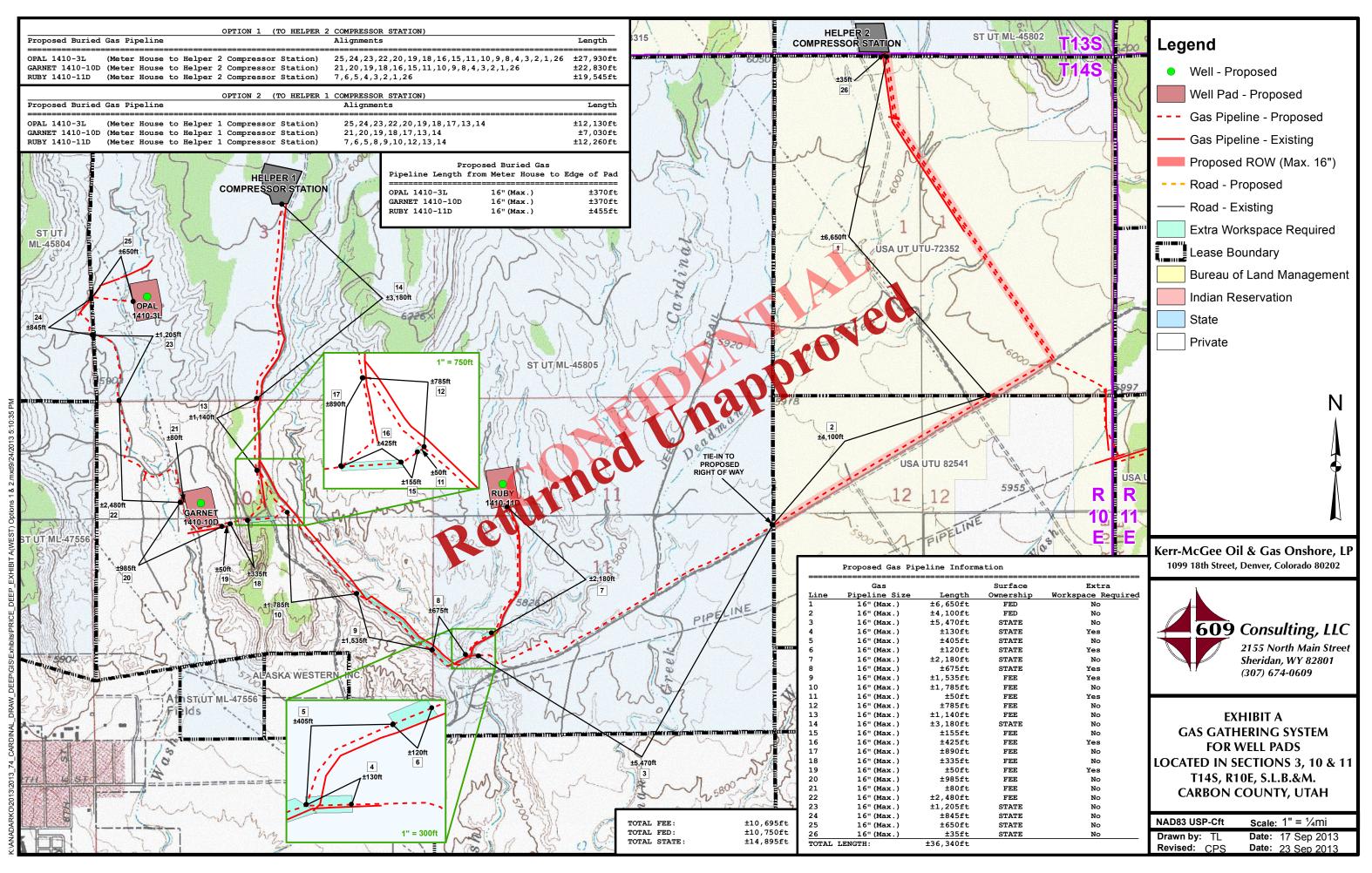
WELL PAD – GARNET 1410-10D WELL – GARNET 1410-10D LOCATED IN SECTION 10 T14S, R10E, S.L.B.&M. CARBON COUNTY, UTAH

Beginning at the intersection of South 7th East Street and East Main Street in Price, Utah, proceed in a southeasterly direction along East Main Street approximately 0.3 miles to the intersection of Airport Road to the east. Exit left and proceed in an easterly direction along Airport Road approximately 0.7 miles to the intersection of Bird Road to he north. Exit left and proceed in a northerly, then northwesterly direction along Rird Road, which becomes Price Kenilworth Road, approximately 2.0 miles to the intersection of an existing road to the west. Exit left and proceed in a westerly, then northwesterly direction along the existing road approximately 0.4 miles to an existing road to the south. Exit left and proceed in a southerly direction along the existing road approximately 0.1 miles to the proposed access road to the south. Exit right and follow the road flags in a southerly direction approximately 430 feet to the proposed well location.

Total distance from Price, Utah, to the proposed Garnet 1410-10D well location is approximately 3.5 miles.

SHEET 13 OF 13

Received: September 20, 2013



GARNET 1410-10D

Surface: 1660 FNL / 1685 FWL SENW Lot BHL: 1660 FNL / 1685 FWL SENW Lot

Carbon County, Utah

Operator: Kerr-McGee Oil & Gas Onshore LP

This SUPO contains surface operating procedures for Kerr-McGee Oil & Gas Onshore LP (KMG), a wholly owned subsidiary of Anadarko Petroleum Corporation (APC) pertaining to actions that involve the State of Utah School and Institutional Trust Lands Administration (SITLA) in the development of minerals leased to APC/KMG (including but not limited to, APDs/SULAs/ROEs/ROWs and/or easements.)

See associated Utah Division of Oil, Gas, and Mining (UDOGM) Form 3(s), plats, maps, and other attachments for site-specific information on projects represented herein.

In accordance with Utah Oil & Gas Conservation Rule R649-3-10 pertaining to Vertical Drilling, these well will be vertically drilled. Refer to Topo Map A for directions to the location and Topo Maps A and B for location of access roads within a 2-mile radius.

A. Existing Roads:

Existing roads consist of county and improved/unimproved lease road. (KVI) will maintain existing roads in a condition that is the same as or better than before operations began and in a safe and usable condition. Maintenance of existing roads will continue until final abandonment and reclamation of well pads and/or other facilities. The road maintenance may include, but is not limited to, blading, ditching, culvert installation/cleanout, surfacing, and dust control.

Typically, roads, gathering lines and electrical distribution lines will occupy common disturbance corridors and roadways will be used as a orking space. All disturbances located in the same corridor will overlap each other to the maximum extent possible; in no case will the maximum disturbance width of the access road and utility corridors exceed 50°, taness otherwise approved.

B. Planned Access Roads:

Approximately $\pm 430'$ (0.08 miles) of road re-route is proposed (see Topo Map B). This road re-route is on fee surface in Section 10 and the SUA is pending.

If there are roads that are new or to be reconstructed, they will be located, designed, and maintained to meet the standards of SITLA and other commonly accepted Best Management Practices (BMPs). If a new road/corridor were to cross a water of the United States, KMG will adhere to the requirements of applicable Nationwide or Individual Permits of the Department of Army Corps of Engineers.

During the onsite, turnouts, major cut and fills, culverts, bridges, gates, cattle guards, low water crossings, or modifications needed to existing infrastructure/facilities were determined, as applicable, are typically shown on attached Exhibits and Topo maps.

C. <u>Location of Existing and Proposed Facilities</u>:

Production facilities (see Well Pad Design Summary and Facilities Diagram):

Production facilities will be installed on the disturbed portion of the well pad and may include bermed components (typically excluding dehy's and/or separators) that contain fluids (i.e. production tanks, produced liquids tanks). The berms will be constructed of compacted subsoil or corrugated metal, impervious, designed to hold 110% of the capacity of the largest tank, and be independent of the back cut. All permanent (on-site six months or longer) above ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth-tone color chosen at the onsite in coordination with SITLA.

Gathering Facilities:

The following pipeline transmission facilities will apply if the well is productive (see Exhibit A and Topo D) Please see the two pipeline transmission facility options below:

The first option for the total Gas Gathering (steel line pipe with fusion bond epoxy coating) Pipeline distances from the meter to the Proposed BLM ROW tie in point is $\pm 12,045$ ° and the individual segments are broken up as follows:

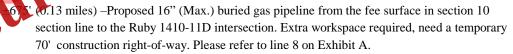
The following segments are on Fee Surface.

±370' (0.07 miles) –Proposed 16' (Max.) buried gas pipeline from the meter to the edge of the pad. This Well is on Fee surface (SUA) and in Please refer to Exhibit A.

±5400' (1.02 miles) – Proposet 16" (Max.) baried gas pipeline on fee surface (SUA Pending). Pipeline goes from the edge of the pad to the Section 10 section line then continues on State Surface.

Please refer to Line 21, 20, 19, 18, 16, 15, 11, 10, and 9 on Exhibit A.

The following segments are "onlease", no ROW needed



 $\pm 130'$ (0.02 miles) –Proposed 16" (Max.) buried gas pipeline from the Ruby 1410-11D intersection to 130' to the West. the West. Extra workspace required, need a temporary 70' construction right-of-way. Please refer to line 4 on Exhibit A.

±5470' (1.04 miles) –Proposed 16" (Max.) buried gas pipeline from 130' West of the Ruby intersection to the Proposed BLM ROW tie in point at the section 11 section line. Please refer to line 3 on Exhibit A.

The second option for the total Gas Gathering (steel line pipe with fusion bond epoxy coating) Pipeline distances from the meter to the tie in point at the Helper 1 Compressor Station is $\pm 7,030$ ' and the individual segments are b broken up as follows:

The following segments are on Fee Surface.

±370' (0.07 miles) –Proposed 16" (Max.) buried gas pipeline from the meter to the edge of the pad. This Well is on Fee surface, SUA Pending. Please refer to Exhibit A.

±5400' (1.02 miles) –Proposed 16" (Max.) buried gas pipeline on fee surface (SUA Pending). Pipeline goes from the edge of the pad to the Section 10 section line to the North then continues on State Surface. Please refer to Line 21, 20, 19, 18, 16, 15, 11, 10, and 9 on Exhibit A.

The following segments are "onlease", no ROW needed.

±3180' (0.60 miles) –Proposed 16" (Max.) buried gas pipeline from the fee surface in section 10 to the Helper 1 Compressor Station in section 3. Please refer to line 14 on Exhibit A.

The total Liquid Gathering Pipeline distance from the separator to the tie in point is ± 1105 ' and the individual segments are broken up as follows:

The following segments are on Fee Surface.

±370' (0.07 miles) –Proposed 6" (Max.) buried liquid pipeline from the seperator to the edge of the pad. Fee Surface SUA Pending.

±735' (0.13 miles) –Proposed 6" (Max.) buried liquid pipeline from the edge of the pad to the existing liquid tie in point at the section 3 section line. Fee Surface SUA Pending.

The total Buried Power distance from the edge of the pad to the tie in point is ±335' and the individual egments are broken up as follows:

The following segments are on Fee Surface.

±335' (0.06 miles) –Proposed buried power from the edge of the pad to the existing powerline tie in point. Fee Surface SUA Pending.

The liquid gathering lines will be made of polyett vene or a composite polyethylene/steel or polyethylene/fiberglass that is not subject to internal or external pipe corrosion. Trunk line valve connections for the water gathering system will be below ground but accessible from the surface in order to prevent freezing during the winter time.

KMG requests a temporary 45 construction right-of-way and a 30' permanent right-of-way. Where the pipeline is adjacent to the road or well pad, the road and/or well pad will be utilized for construction activities and staging. KMG requests in certain staging areas where additional workspace is needed a 70' right-of w.y. Please see segments specified in above gathering infrastructure as well as the Exhibit A.

The roposed trench width for the pipeline would range from 18-48 inches and will be excavated to a depth of 48 to 60 inches of normal soil cover or 24 inches of cover in consolidated rock. During construction blasting may occur along the proposed right-of-way where trenching equipment cannot cut into the bedrock. Large debris and rocks removed from the earth during trenching and blasting that could not be returned to the trench would be distributed evenly and naturally in the project area. The proposed pipelines will be pressure tested pneumatically (depending on size) or with fluids (either fresh or produced). If fluids are used, there will be no discharge to the surface.

Pipeline signs will be installed along the right-of-way to indicate the pipeline proximity and ownership, as well as to provide emergency contact phone numbers. Above ground valves, T's, and/or cathodic protection will be installed at various locations for connection, corrosion prevention and/or for safety purposes.

D. <u>Location and Type of Water Supply</u>:

Water for drilling purposes will be obtained from one of the following sources:

Helper State SWD #1:

1980' FNL & 2500' FEL, Sec. 3 – T13N – R11E

Tap Point Price City:

Sec. 10 – T14S – R10E 1057' FNL & 390' FWL, Sec. 1 – T6S – R22E 1239' FNL & 52' FEL, Sec. 6 – T6S – R23E

Water will be hauled to location over the roads marked on Maps A and B.

E. Source of Construction Materials:

Construction operations will typically be completed with native materials found on location. If pedded, construction materials that must be imported to the site (mineral material aggregate, soils or materials suitable for fill/surfacing) will be obtained from a nearby permitted source and described in subsequent Sundry requests. No construction materials will be removed from State lands without prior approval from SITLA.

F. Methods for Handling Waste Materials:

Should the well be productive, produced water will be contained in a water tank and will be transported by pipeline and/or truck to an approved disposal sites facilities and/or Salt Water Disposal (SWD) injection well. Currently, those facilities are:

FCDC Landral Disposal in East Carbon County

WD 41: 13S 11E Section 3 WD 44-6: 14S 11E section 6 SWD 22-4: 14S 11E section 4

SWD 31-30: 14S 11E section 30 SWD 41-25: 14S 11E section 25 SWD F-2: 14S 10E section 8

Kerr-McGee will use either a closed loop drilling system that will require one pit and one cuttings storage area to be constructed on the drilling pad or a traditional drilling operation with one pit used for drilling and completion operations. The cuttings storage area will be used to contain only the de-watered drill cuttings and will be lined and bermed to prevent any liquid runoff. The drill cuttings will be buried in the completion pit once completion operations are completed according to traditional pit closure standards. The pit will be constructed to allow for completion operations. The completion operations pit will be lined with a synthetic material 20 mil or thicker and will be used for the completing of the wells on the pad or used as part of our Aandarko Completions Transportation System (ACTS). Using the closed loop drilling system will allow Kerr-McGee to decrease the amount of disturbance/footprint on location compared to a single large drilling/completions pit.

If Kerr-McGee does not use a closed loop drilling system, it will construct a traditional drilling/completions pit to contain drill cuttings and for use in completion operations. The pit will be lined with a synthetic material 20 mil or thicker. The drill cuttings will be buried in the pit using traditional pit closure standards.

Unless otherwise approved, no oil or other oil based drill additives, chromium/metals-based, or saline muds will be used during drilling. Only fresh water, biodegradable polymer soap, bentonite clay, and /or non-toxic additives will be used in the system.

Pits will be constructed to minimize the accumulation of surface runoff. Should fluid hydrocarbons be encountered during drilling, completions, or well testing, product will either be contained in test tanks on the well site or evacuated by vacuum trucks and transported to an approved disposal/sales facility. Netting will be placed over pits before any liquids are discharged into the pit. Should hydrocarbons be released into a reserve/completion pit, they will be removed as soon as practical and before the netting is removed from the pit. Similarly, hydrocarbon removal will take place prior to the closure of the pit, unless authorization is provided for disposal via alternate pit closure methods (e.g. solidification).

Any additional pits necessary for subsequent operations, such as temporary flare pits, or workover pits, will contained within the originally approved well pad and disturbance boundaries. Such temporary pits will be backfilled and reclaimed within 180 days of completion of the work.

For the protection of livestock and wildlife, all open pits (excluding flare pits) will be fenced or netted or nette

Pits containing drilling cuttings, mud, and/or completions fluids will be allowed to day. Any free fluids remaining after after six (6) months from reaching total depth, date of completion, and/or determination of inactivity will be removed (as weather conditions allow) to an approved site and the pit reclaimed. Additional drying methods may include fly-ash solidification or sprinkler evaporation. Installation and operation of any sprinklers, pumps, and equipment will ensure that water spray or mist does not drift. Reserve pit liners will be cut off or folded as near to the mud surface as possible and as safety considerations allow and buried on location.

No garbage or non-exempt substances as crived by Resource Conservation and Recovery Act (RCRA) subtitle C will be placed in the reserve pit. A Define generated during construction, drilling, completion, and well testing activities will be contained in an exclosed receptacle, removed from the drill locations promptly, and transported to an approved disposal facility.

Portable, self-contained chemical toilets and/or sewage processing facilities will be provided for human waste disposed. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents disposed of in an approved sewage disposal facility. All applicable regulations pertaining to disposal of human and solid waste will be observed.

Any undesirable event, including accidental release of fluids, or release in excess of reportable quantities, will be managed according to the notification requirements of UDOGMs "Reporting Oil and Gas Undesirable Events" rule. Where State wells are participatory to a Federal agreement, according to NTL-3A, the appropriate Federal agencies will be notified.

Materials Management

Hazardous materials above reportable quantities will not be produced by drilling or completing proposed wells or constructing the pipelines/facilities. The term "hazardous materials" as used here means: (1) any substance, pollutant, or containment listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended 42 U.S.C. 9601 et seq., and the regulations issued under CERCLA; and (2) any hazardous waste as defined in RCRA of 1976, as amended. In addition, no extremely hazardous substance, as defined in 40 CFR 355, in threshold planning quantities, would be used, produced, stored, transported, or disposed of while producing any well.

Chemicals subject to reporting under Title III of the Superfund Amendments and Reauthorization Act (SARA) in quantities of 10,000 pounds or more may be produced and/or stored at production facilities and may be kept in limited quantities on drilling sites and well locations for short periods of time during drilling or completion activities.

G. Ancillary Facilities:

None are anticipated.

H. Well Site Layout (see Well Pad Design Summary):

The location, orientation and aerial extent of each drill pad; reserve/completion/flare pit; access road ingress/ egress points, drilling rig, dikes/ditches, existing wells/infrastructure; proposed cuts and fills; and topsoil and spoil material stockpile locations are depicted on the exhibits for each project, where applicable. Site-specific conditions may require slight deviation in actual equipment and facility layout; however, the area of disturbance, as described in the survey, will not be exceeded.

Coordinates are provided in the National Spatial Reference System, North American Datum, 1927 (AAD27) or NAD 83 latest edition. Distances are depicted on each plat to the nearest two adjacent section lines.

I. Plans for Reclamation of the Surface:

Surface reclamation will be undertaken in two phases: interim and final. Interim reclamation is conducted following well completion and extends through the period of production. This columnation is for the area of the well pad that is not required for production activities. Final reclamation is conducted following well plugging/conversion and/or facility abandonment processes.

Reclamation activities in both phase tray houde but is not limited to the re-contouring or re-configuration of topographic surfaces, restoration of dramage systems, segregation of spoils materials, minimizing surface disturbance, re-evaluating backfull requirements, pit closure, topsoil redistribution, soil treatments, seeding and weed control.

Intering Reclamation

Interim reclamation includes pit closure, re-contouring (where possible), soil bed preparation, topsoil placement, seeding, and/or weed control.

Interim re-contouring involves bringing all construction material from cuts and fills back onto the well pad and site and reestablishing the natural contours where desirable and practical. Fill and stockpiled spoils no longer necessary to the operation will be spread on the cut slopes and covered with stockpiled topsoil. All stockpiled top soils will be used for interim reclamation where practical to maintain soil viability. Where possible, the land surface will be left "rough" after re-contouring to ensure that the maximum surface area will be available to support the reestablishment of vegetative cover.

A reserve pit, upon being allowed to dry, will be backfilled and compacted with cover materials that are void of any topsoil, vegetation, large stones, rocks or foreign objects. Soils that are moisture laden, saturated, or partially/completely frozen will not be used for backfill or cover. The pit area will be mounded to allow for settling and to promote positive surface drainage away from the pit.

Final Reclamation

Final reclamation will be performed for newly drilled unproductive wells and/or at the end of the life of a productive well. As soon as practical after the conclusion of drilling and testing operations, unproductive drill holes will be plugged and abandoned (P&A). Site and road reclamation will commence following plugging. In no case will reclamation at non-producing locations be initiated later than six (6) months from the date a well is plugged. A joint inspection of the disturbed area to be reclaimed may be requested by KMG. The primary purpose of this inspection will be to review the existing conditions, or agree upon a revised final reclamation and abandonment plan. A Notice of Intent to Abandon will be filed for final recommendations regarding surface reclamation.

After plugging, all wellhead equipment that is no longer needed will be removed, and the well site will be reclaimed. Final contouring will blend with and follow as closely as practical the natural terrain and contours of the original site and surrounding areas. After re-contouring, final grading will be conducted over the entire surface of the well site and access road. Where practical, the area will be ripped to a depth of 18 to 24 inches on 18 to 24-inch centers and surface materials will be pitted with small depressions to form longitudinal depressions 12 to 18 inches deep perpendicular to the natural flow of water.

All unnecessary surface equipment and structures (e.g. cattle guards) and water control structures (e.g. culverts, drainage pipes) not needed to facilitate successful reclamation will be removed during final reclamation. Roads that will be reclaimed will be ripped to a depth of 18 inches where practical, re-son bured to approximate the original contour of the ground and seeded.

Upon successfully completing reclamation of a P&A location a Final Abandonment Notice will be submitted to UDOGM.

Seeding and Measures Common to Interin and Final Reclamation

Reclaimed areas may be fence to exclude grazing and encourage re-vegetation.

On slopes where severe erosion can become a problem and the use of machinery is not practical, seed will be hand broadca; and raked with twice the specified amount of seed. The slope will be stabilized using materials specifically be agned to prevent erosion on steep slopes and hold seed in place so vegetation can become permanently established. These materials will include, but are not limited to, erosion control blankets and bonded fiber matrix at a rate to achieve a minimum of 80 percent soil coverage.

Seeding will occur year-round as conditions allow. Seed mixes appropriate to the native plant community as determined and specified for each project location based on the site specific soils will be used for re-vegetation. The site specific seed mix will be provided by SITLA.

J. <u>Surface/Mineral Ownership</u>:

College of Eastern Utah Attn: Joe Peterson 451 E. 4th N Price, UT 84501 (435) 613-5220 Tommy Thompson General Manager, Drilling Kerr-McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779 (720) 929-6724

L. Other Information:

None

M. Lessee's or Operators' Representative & Certification:

Cara Mahler Regulatory Analyst I Kerr-McGee Oil & Gas Onshore LP PO Box 173779 Denver, CO 80217-3779 (720) 929-6156

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr-McGee Oil & Gas Onshore LP is considered to be the operator of the subject well. Kerr-McGee Oil & Gas Onshore LP agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage for State lease activities is provided by State Surety Bond 22013542, and for applicable Federal lease activities and pursuant to 43 CFR 3104, by Bureau of Land Management Nationwide Bond WYB000291

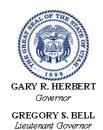
Iny supervision, have inspected the proposed drill site and access route, and 1 am tamiliar with the conditions that currently exist; that I have full knowledge of the State and Federal laws applicable to this operation; that the statements made in this plan are, to the best of my knowledge, trackand correct; and the work associated with the operations proposed herein will be performed in conformitation.

APD package and the terms and conditions under which it is approved. Let represent, am responsible for operation. provisions of 18 U.S.C. 1001 for the filing of false statements.

Cara Mahler

September 30, 2013

Date



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 03, 2013

KERR-MCGEE OIL & GAS ONSHORE, L.P. P.O. Box 173779 Denver, CO 80217

Re: Application for Permit to Drill - UINTAH County, Utah

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the GARNET 1410-10D well, API 43047540340000 that was submitted October 03, 2013 is being returned unapproved. If you plan on drilling this well in the future, you must first submit a new application.

Should you have any questions regarding this matter, please call me at (801) 538-5312.

Sincerely,

Diana Mason Environmental Scientist

Enclosure

cc: Bureau of Land Management, Vernal, Utah

